

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 92-555-E - ORDER NO. 93-151
FEBRUARY 11, 1993

IN RE: Rules and Regulations Regarding) ORDER PROMULGATING
Electrical Utilities.) COMMISSION STAFF'S
) PROPOSED CHANGES TO
) ELECTRICAL RULES AND
) REGULATIONS

This matter is before the Public Service Commission of South Carolina (the Commission) on the Commission Staff's (the Staff's) request to amend certain of the Commission's Rules and Regulations Governing Service Supplied by Electrical Utilities in South Carolina. The Staff's proposed changes are attached as Appendix A to this Order.

In accordance with the provisions of the Administrative Procedures Act, specifically, S.C. Code Ann. §1-23-110 (Cum. Supp. 1992), this matter was properly noticed to the public. A public hearing was held on Wednesday, January 27, 1993, at 2:30 p.m. in the Commission's hearing room. The Honorable Rudolph Mitchell, Vice Chairman, presided. Carl F. McIntosh, Esquire, represented the Consumer Advocate for the State of South Carolina; Belton T. Zeigler, Esquire, represented South Carolina Electric & Gas Company (SCE&G); Richard Whitt, Esquire, represented Duke Power Company; William F. Austin, Esquire, represented Carolina Power & Light Company; and Gayle B. Nichols, Staff Counsel, represented the

Staff.

After review of the proposed changes submitted by the Staff and consideration of the testimony presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. A. R. Watts, Chief of the Electric Department of the Commission, testified on behalf of the Staff. Mr. Watts testified that the Staff proposed several changes to 26 S.C. Regs. 103-342(k)(1976). Mr. Watts explained that, in order to protect conscientious ratepayers and the utility, the Staff proposed to allow electrical utilities the option to deny service to an applicant who, at the time of his application for service, is indebted or any member of his household is indebted under an undisputed bill to the electrical utility for service previously furnished. Mr. Watts testified, however, that, unless the utility obtained a judgment against the applicant, the Staff proposed that the electrical utility could only consider indebtedness incurred during the six (6) years prior to the time of application. Mr. Watts testified that the Staff considered the six (6) year period appropriate because it would not only protect the utility, and, therefore, reliable ratepayers, from providing service to an applicant who had a delinquent account, but would also allow an applicant the ability to obtain new service without having first to satisfy a six year old debt. Mr. Watts testified that it was the Staff's proposal to allow an electrical utility to deny service if

the utility had obtained a judgment against the applicant for the length of time in which the utility could enforce the judgment.

2. Mr. Watts testified that Staff proposed to amend the language of 26 S.C. Regs. 103-343(Cum. Supp. 1992) so that the regulation would be consistent with the regulations of the other utilities regulated by the Commission. He testified that the proposal would not have any substantive change to the current regulation.

3. Mr. Watts testified that the Staff proposed to amend 26 S.C. Regs. 103-352(b) (Cum Supp. 1992) to allow electrical utilities to terminate service for non-payment by either 1) not more than two (2) business days prior to termination of service, notify the customer by telephone or in person that he is subject to termination of service or 2) not more than three (3) business days prior to termination of service, notify the customer by mail that he is subject to termination of service. Mr. Watts testified this amendment would allow electrical utilities the option of notifying customers by mail that their service is subject to termination for non-payment.

4. Paul Fant, Executive Assistant to the Senior Vice-President of Customer Relations, testified on behalf of SCE&G. Mr. Fant explained that for 1992 the average customer bill written off by SCE&G for non-payment was \$108.00. Mr. Fant testified that if the Commission allowed SCE&G to consider an applicant's indebtedness for up to six (6) years before the time of application, his Company would lose \$144,679 per year, but that if

the Commission were to limit consideration of an applicant's indebtedness to three (3) years prior to the time of application, the Company would lose \$308,000 per year.

CONCLUSIONS OF LAW

1. The Commission concludes that the Staff has presented convincing reasons to amend 26 S.C. Regs. 103-343 and 352(b).¹

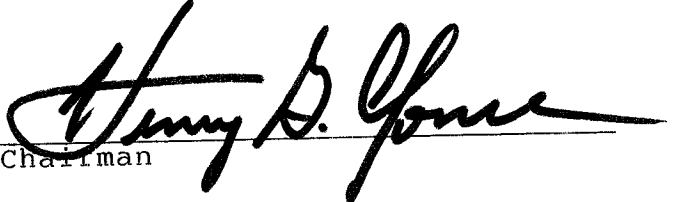
2. With regard to the Staff's proposed changes to 26 S.C. Regs. 103-342(k), the Commission concludes that the utility should not be required to provide service to an applicant who has an undisputed debt which was incurred within six (6) years from the time of application. The Commission concludes that the six (6) year period equitably balances the interests of the utility, conscientious ratepayers, and the applicant.

However, the Commission disagrees with the Staff's proposal to allow an electrical utility to refuse service for the period in which it may execute on a judgment it has obtained against an applicant. The Commission finds that the six (6) year "look back" period sufficiently protects the interest of the utility. Therefore, the Commission concludes that, while the utility may have the legal ability to execute on a judgment against an applicant, it should not also be able to deny service for the

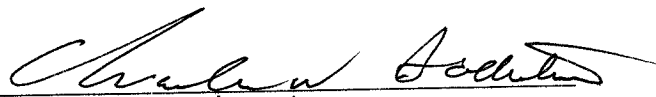
1. SCE&G inquired as to whether it would be required to continue to notify its customers prior to termination of service for non-payment under the terms of Order No. 92-831, Docket No. 90-701-E (September 23, 1992) or whether it could notify its customers in the manner proposed by the Staff. Upon approval of these regulations by the General Assembly, SCE&G would be allowed to notify its customers pursuant to the terms of the regulation.

period of time it has to enforce the judgment. Accordingly, the Commission hereby directs the Staff to submit its proposed change to 26 S.C. Regs. 103-342(k), with the exception of the provision regarding judgments, to the General Assembly for approval.²

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

2. The approved version of 26 S.C. Regs. 103-342(k) is attached as Appendix B.

103-342 (k)

No electrical utility shall be required to furnish its service or to continue its service to any applicant who, at the time of such application, is indebted or any member of his household is indebted, under an undisputed bill to such electrical utility for service previously furnished such applicant or furnished any other member of the applicant's household ~~or business~~. However, for the purposes of this regulation, the electrical utility may not consider any indebtedness which was incurred by the applicant or any member of his household more than six (6) years prior to the time of application, unless within the six (6) year period the electrical utility has obtained a judgment against the applicant for the past due account in which case the electrical utility may deny service for such period of time as the law permits it to execute on the judgment.

103-343 Insufficient Reasons for Denying Service

The following shall not constitute ~~sufficient~~ cause for ~~denial~~ refusal of service to a present or prospective customer:

103-352 Procedures for Termination of Service

Prior to the termination of electric service pursuant to R. 103-342 e. - m., the following procedures shall be employed by the electrical utility.

b. Not more than two (2) business days prior to termination of service, the ~~electric~~ electrical utility shall make reasonable efforts ~~to contact~~ either by telephone or in person to contact the customer ~~customers, either by telephone or personally, that is are subject to termination of service to notify him that his service is are subject to termination for non-payment.~~ Alternatively, not more than three (3) business days prior to termination of service, the electrical utility shall notify the customer by mail that he is subject to termination of service for non-payment. The electrical utility shall maintain records of the efforts made to contact such customers. Termination of service may be delayed in case of inclement weather, emergencies or operational conflicts.

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APPENDIX B

103-342 (k)

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